

#### **IC 5-1.4-8**

##### **Chapter 8. Purchase of Securities of Qualified Entities**

#### **IC 5-1.4-8-1**

##### **Purchase of securities offered by qualified entity; private sale; issuance of bonds or notes for purpose of purchase**

Sec. 1. The bank, to carry out the purposes and policies of this article, may purchase securities offered by a qualified entity. Notwithstanding any law to the contrary, a qualified entity may sell its securities to the bank at a negotiated, private sale. The bank, for this purpose, may issue its bonds and notes payable solely from the revenues or funds available to the bank for such payment and may otherwise assist qualified entities as provided in this article.

*As added by P.L.42-1985, SEC.1.*

#### **IC 5-1.4-8-2**

##### **Securities to be purchased and held in name of bank; required documentation**

Sec. 2. (a) All securities at any time purchased, held, or owned by the bank shall at all times be purchased and held in the name of the bank.

(b) All securities at any time purchased by the bank, upon delivery to the bank, shall be accompanied by all documentation required by the board. The documentation must include an approving opinion of recognized bond counsel, certification and guarantee of signatures, and certification as to no litigation pending as of the date of delivery of the securities challenging the validity or issuance of the securities.

*As added by P.L.42-1985, SEC.1.*

#### **IC 5-1.4-8-3**

##### **Contracts with bank for purchase of securities; terms and conditions; fees and charges; denomination; prices; private sale**

Sec. 3. Every qualified entity is authorized and empowered to contract with the bank with respect to the purchase of its securities, and the contracts shall contain the terms and conditions of the purchase and may be in any form agreed to by the bank and the qualified entity, including a customary form of bond ordinance or resolution. Every qualified entity is authorized and empowered to pay fees and charges required to be paid to the bank for its services. Notwithstanding any statute applicable to or constituting any limitation on the sale of bonds or notes, any qualified entity may sell its securities to the bank, without limitation as to denomination, at a private sale at such price or prices as may be determined by the bank and the qualified entity.

*As added by P.L.42-1985, SEC.1.*

#### **IC 5-1.4-8-4**

##### **Agreement with bank; waiver of statutory defenses to nonpayment; rights and remedies of bank**

Sec. 4. Upon the sale and delivery by a qualified entity of any

securities to the bank, the qualified entity shall be deemed to have agreed that upon its failure to pay interest or principal on the securities owned or held by the bank when payable, all statutory defenses to nonpayment are waived. Upon nonpayment and demand on the qualified entity for payment, if the securities are payable from property taxes and funds are not available in the treasury of the qualified entity to make payment, an action in mandamus for the levy of a tax to pay the interest and principal on the securities shall lie, and the bank shall be constituted a holder or owner of the securities as being in default. The bank may thereupon avail itself of all remedies, rights, and provisions of law applicable in the circumstances, and the failure to exercise or exert any rights or remedies within a time or period provided by law may not be raised as a defense by the qualified entity. The bank may carry out this section and exercise all the rights, remedies, and provisions of law provided or referred to in this section.

*As added by P.L.42-1985, SEC.1.*

#### **IC 5-1.4-8-5**

##### **Bond anticipation notes of qualified entities; purchase by bank; renewal or extension; maturity; terms and conditions**

Sec. 5. (a) Notwithstanding any law applicable to a qualified entity concerning the issuance of bonds, a qualified entity that has complied with all statutory requirements for the issuance of its bonds may (in lieu of issuing bonds at that time and without complying with any other law applicable to the issuance of bonds, notes, or other evidences of indebtedness) issue to the bank the qualified entity's notes in anticipation of the issuance of bonds, and the bank may purchase these bond anticipation notes. The bond anticipation notes may be issued on terms set forth in a resolution authorizing their issuance and in any amount equal to or less than the amount of bonds authorized to be issued.

(b) The qualified entity may renew or extend the bond anticipation notes from time to time on terms agreed to with the bank, and the bank may purchase these renewals or extensions. The amount of the accrued interest on the date of renewal or extension may be paid or added to the principal amount of the note being renewed or extended so long as the aggregate principal amount of bond anticipation notes outstanding at any time does not exceed the maximum principal amount permitted by this section.

(c) The bond anticipation notes of the qualified entity, including any renewals or extensions, must mature in the amounts and at the times (not exceeding five (5) years from the date of the original issuance of the bond anticipation notes) as are agreed to by the qualified entity and the bank. The bond anticipation notes shall be, and interest thereon may be, finally paid with the proceeds of the bonds issued by the qualified entity. In connection with the issuance of bonds part or all of the proceeds of which shall be used to retire the bond anticipation notes, the qualified entity is not required to repeat the procedures for the issuance of bonds because the

procedures followed before the issuance of the bond anticipation notes are for all purposes sufficient to authorize the issuance of such bonds.

(d) In connection with the purchase of bond anticipation notes, the bank may by agreement with the qualified entity impose any terms, conditions, and limitations as in its opinion are proper for the security of the bank and the holders of its bonds or notes. If the qualified entity fails to comply with the agreement or to issue its bonds to retire its bond anticipation notes, the bank may enforce all rights and remedies provided in the agreement or at law, including an action in mandamus to compel the issuance of bonds by the qualified entity.

*As added by P.L. 42-1985, SEC. 1. Amended by P.L. 29-1986, SEC. 21.*

#### **IC 5-1.4-8-6**

##### **Notes of qualified entities; purchase by bank; renewal or extension; maturity; compliance with other laws; terms and conditions**

Sec. 6. (a) Notwithstanding any other law applicable to a qualified entity as to borrowing money, a qualified entity may issue and sell its notes to the bank, and the bank may purchase these notes. The notes must be issued pursuant to a resolution of the qualified entity, and the proceeds must be applied to costs for which the qualified entity may issue bonds.

(b) The qualified entity may renew or extend the notes from time to time on terms agreed to with the bank, and the bank may purchase these renewals or extensions. The amount of accrued interest on the date of renewal or extension may be paid or added to the principal amount of the note being renewed or extended.

(c) The notes of the qualified entity, including any renewals or extensions, must mature in the amounts and at the times (not exceeding two (2) years from the date of original issuance) as are agreed to by the qualified entity and the bank. However, the legislative body of the city in the case of a qualified entity defined in IC 5-1.4-1-10(1) through (3) or the governing body of the qualified entity in the case of a qualified entity defined in IC 5-1.4-1-10(4) through (6), by resolution, may authorize an extension of the maturity beyond two (2) years for an additional period of no more than three (3) years. Any such extension may be authorized in the resolution originally authorizing issuance of the notes. The notes of the qualified entity and accrued interest thereon shall be paid with proceeds from the issuance of its bonds, when and if the bonds are issued, or other money available to the qualified entity, which money the qualified entity may pledge to the payment of its notes.

(d) Compliance with this section constitutes full authority for a qualified entity to issue its notes and sell them to the bank, and the qualified entity is not required to comply with any other law applicable to the authorization, approval, issuance, and sale of bonds, notes, or other evidences of indebtedness. However, if the qualified entity decides to issue bonds, neither the provisions of this section nor the actual issuance by a qualified entity of its notes shall relieve

the qualified entity of completing the requirements for the issuance of its bonds all or part of the proceeds of which will be used to retire the notes.

(e) In connection with the purchase of notes, the bank may by agreement with the qualified entity impose any terms, conditions, and limitations as in its opinion are proper for the security of the bank and the holders of its bonds or notes. If the qualified entity fails to comply with the agreement or to retire its notes, the bank may enforce all rights and remedies provided in the agreement or at law. *As added by P.L.42-1985, SEC.1. Amended by P.L.29-1986, SEC.22; P.L.46-1987, SEC.2.*